

Mr. Diefenbaker: My simple question regarding Professor Hodgetts is this: Was he appointed because he stated that the civil service is a safeguard against the excess of politicians?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the members of the commission were appointed for their noted competence and I am sure they will perform well.

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ATOMIC ENERGY OF CANADA LIMITED

DISCUSSIONS BETWEEN DR. FOSTER AND MINISTER ABOUT AGENTS FEES—ALLEGED LACK OF ACCOUNTING BY AGENTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question for the Minister of Energy, Mines and Resources, concerns Dr. J. S. Foster who became President of Atomic Energy of Canada Limited in 1974 and who, according to reports, had second thoughts about large sums of money being paid to an agent negotiating the sale of a nuclear reactor in South Korea. It is reported that Dr. Foster said he discussed this matter with several cabinet ministers. I ask the minister if Dr. Foster discussed this matter with him, or has discussed it with him since the matter arose? I ask, in particular, whether included in the over \$8 million which the Auditor General has called in question there is the matter of \$5.4 million paid to the agent, concerning which account there is only the terse statement that these expenditures were allocated on the basis of the decision of the agent? I ask the minister if this matter was drawn to his attention then by Dr. Foster, or has it been drawn to his attention since then? I also ask whether the minister has found out what the instructions of the agent were for the dispersal of this large sum of money?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member knows, Dr. Foster was appointed as president of AECL on January 1, 1975. Dr. Foster is a distinguished public servant, a distinguished engineer and a man of international reputation. He brought this matter to my attention earlier this year. The reference in the Auditor General's report is that he had second thoughts. That is the Auditor General's particular description of Dr. Foster's motivation. I, on my own, discussed this question with some of my colleagues, so in that sense the Auditor General's report is entirely accurate. As to the question of how that \$8 million was allocated, what was appropriate and what invoices should have been submitted but have not been submitted, these questions, I submit, should be fully explored before the public accounts committee. I have had discussions with the chairman of the public accounts committee and I believe there is a good chance the committee may meet early next week.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. The minister went all around the question. We have the facts, as he has given them. They are public knowledge. I ask him whether he knew that the sum of \$5.4 million was being paid to an agent, and that the only accounting was to the effect that these expenses had been

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allocated in accordance with the instructions of the agent. Did he approve this without knowing the instructions of the agent, or does he know what those instructions were and is he prepared to tell the House? Also, will he tell the House whether \$2.4 million was paid to the Italian firm Italimpianti in the absence of information as to what the money was for. Did the minister inquire into that matter? If so, can he say what information he had and will he give that information to the House, or did he approve these sums of money without knowing for what the expenditures were incurred?

Mr. Gillespie: Mr. Speaker, the hon. member assumes that the minister in charge of a Crown corporation approves all expenditures of a Crown corporation. The hon. member must realize, I am sure, that Crown corporations are created by parliament for one good reason: They should stand on their own, independent from the day to day management of ministers. I was not involved in the approval, to use the hon. member's phrase, of the specific expenditures to which he referred. As to the question of the Argentinian payment, this was brought to my attention only a few weeks ago.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask a final supplementary question, Mr. Speaker? I appreciate that the minister is not involved in the day to day operations of Crown corporations. I ask if he was consulted at any time about the giving to agents of sums of money for unspecified services? Has he assured himself that these sums of money were not used either for bribery or influence peddling. Surely, these are areas the minister ought to have acquainted himself on when discussing this matter with the president of a Crown corporation.

● (1440)

Mr. Gillespie: Mr. Speaker, as I indicated yesterday, there are some very serious inferences that can be drawn on the basis of reading the Auditor General's report. Allegations of bribery and the sort of thing that the hon. member has made are very serious indeed, and need to be explored at the soonest possible opportunity. That is why I have discussed this matter with the chairman of the Public Accounts committee. The question about what services were purchased for the fees that were paid to the agent should more properly be discussed before the committee where the Auditor General can make his representation and officers of the corporation can be examined in detail because clearly there were many, many services provided by these agents, first in securing the contracts and, second, in servicing the contracts once made.

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HEALTH

PROPORTION OF CARE COSTS ATTRIBUTABLE TO DISEASES RELATED TO ALCOHOL AND TOBACCO

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to address a question to the Minister of National Health and